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Iraq

Status Report

October 28, 2009



Bureau of Near Eastern Affairs
U.S. Department of State

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TABLE OF CONTENTS

HIGHLIGHTS	3
SECURITY	
• Security Transition	4
• Situation Update	5
DIPLOMATIC	
• Political Engagement	6
POLITICAL	
• Governance & Legislation	7
ECONOMIC	
• Private Sector	11
• Oil	12
• Fiscal and Monetary Affairs	14
• Public Services – Electricity	16
• Health	17
BEYOND BAGHDAD	18
Contact Information, Notes and Source Citations	19

HIGHLIGHTS



- **Ministry of Justice and Baghdad Provincial Administration Buildings Are Targets of Large-Scale Truck Bombs (*SECURITY*, page 4)**
- **PM Maliki Holds High-level Meetings with U.S. Officials (*DIPLOMATIC*, page 6).**
- **New Coalitions Created in Preparation for January Elections (*POLITICAL*, page 7).**
- **U.S.-Iraq Business and Investment Conference Held in Washington D.C. (*ECONOMIC*, page 11).**

SECURITY – Transition



Large-scale bombings target GOI buildings in Baghdad

Ministry of Justice and Baghdad Provincial Administration Buildings Are Targets of Large-Scale Truck Bombs:

- Iraqi Security Forces installed roadblocks around Baghdad and conducted searches at checkpoints in response to twin truck bombings that killed at least 155 people and wounded over 700 others on October 25. The attacks targeted the Ministry of Justice and Baghdad Provincial Administration. Major General Qassim al-Moussawi, a spokesman for the city's operations command center, reported that the initial investigation suggested the vehicles, each packed with thousands of pounds of explosives, might have passed through some security checkpoints before hitting their destination. Interior Minister Jawad al-Bulani said that 76 people have been arrested in connection with the blasts, but gave no details on who they were or how they were connected. The Islamic State of Iraq (ISI), an al-Qaida linked terrorist group, claimed responsibility for the twin suicide truck bombings. A statement posted on the internet by the ISI said that it's "martyrs ... targeted the dens of infidelity." The ISI, the same group who claimed responsibility for the August 19 attacks on the Ministries of Foreign Affairs and Finance, is a military coalition within Iraq in which al-Qaida is a leading member. The October 25 attack on the Ministry of Justice and Baghdad Provincial Administration was Iraq's deadliest attack in two years.

SECURITY – Situation



ISF conduct counter-insurgent operations in northern Iraq

Iraqi Police Capture Suspected ISI Leader:

- **Iraqi Police, with U.S. advisors, captured a suspected Islamic State of Iraq leader and three known accomplices in Bayji, located approximately 100 kilometers southwest of Kirkuk. Intelligence indicates that the suspected ISI leader was also involved with insurgents in Hawijah. In a similar operation, Iraqi Army (IA) forces arrested three suspects in Mosul during security searches focused on Mosul ISI extortion-network leaders. The IA searched several buildings for a suspected extortionist and stolen monies used to fund IED attacks against civilians and ISF.**

DIPLOMATIC – Political Engagement



PM Maliki holds high-level meetings with U.S. officials on the sidelines of the U.S.-Iraq Business and Investment Conference

PM Maliki Visits Washington:

- Prime Minister Maliki was in the United States to attend the U.S.-Iraq Business and Investment Conference from October 18-21. PM Maliki met with President Obama, Vice President Biden, and Secretary of State Clinton. President Obama stood by his commitment to have all U.S. combat troops withdrawn from Iraq by August 2010, and urged Maliki to ensure that the Council of Representatives quickly passed an election law for the national elections planned for January 2010.

Germany Announces Iraq Investment Conference:

- The German Embassy in Baghdad announced to the media that Germany would host a two-day investment conference for Iraq in Berlin in November. The conference will take place on the 5th and the 6th of November in Berlin.

POLITICAL - Governance & Legislation



New coalitions created in preparation for January elections

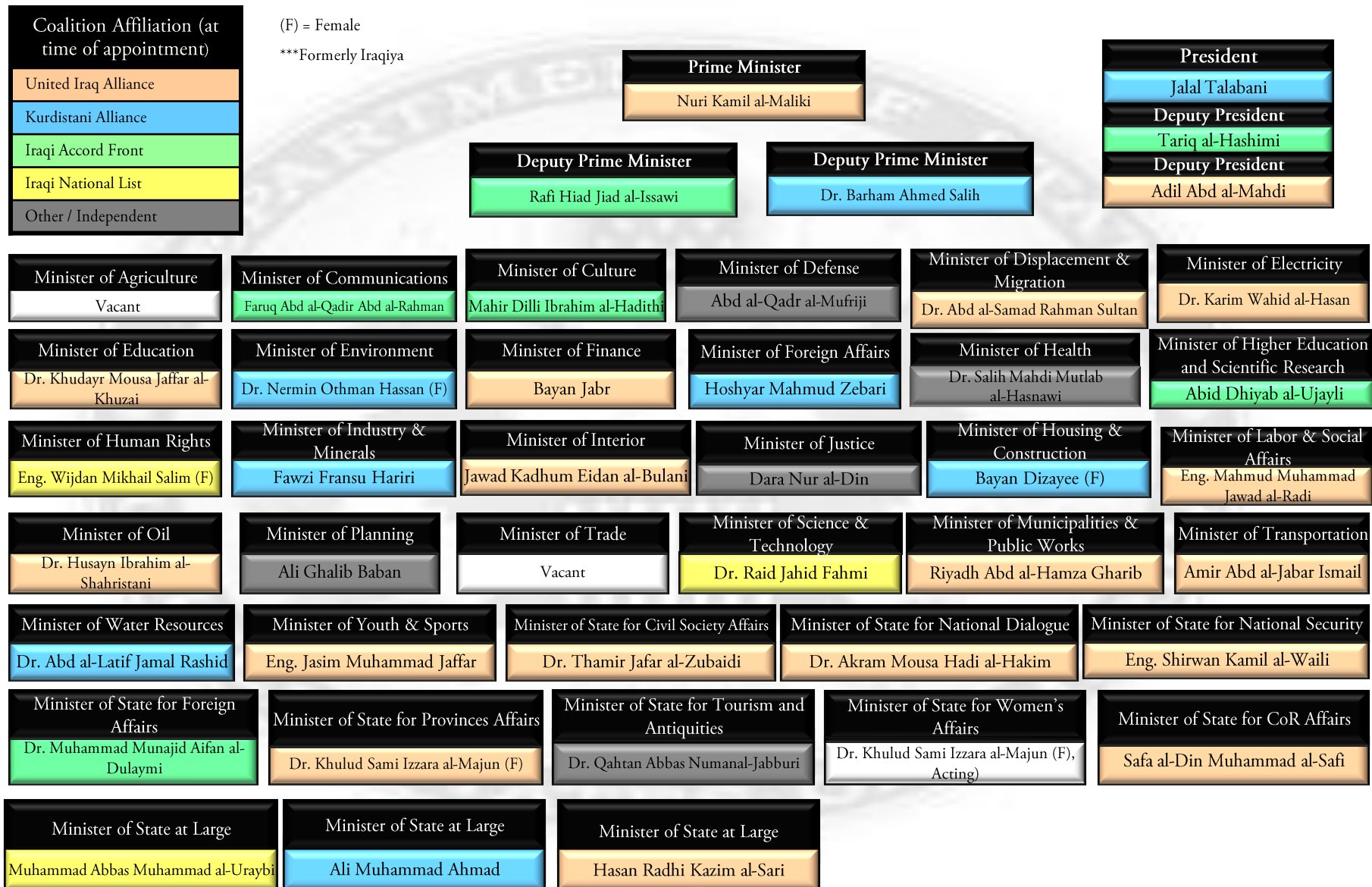
New Political Coalitions Announced:

- **Iraq's Unity Alliance**, a new coalition established to run in January's parliamentary elections, was officially announced on October 21. The alliance is comprised of prominent Iraqi politicians, including Interior Minister Jawad al-Bulani and Head of Sahawa al-Iraq, Sheikh Ahmad Abu Rieha al-Rishawi. Meanwhile, former Prime Minister Ayad Allawi and Sunni politician Salih Mutlaq are combining forces to create the Iraqi Nationalist Movement, which will bring together many of the parliamentary blocs they both control.

New KRG Cabinet Approved:

- The Iraqi Kurdistan Parliament confirmed and swore in a new Cabinet for the Kurdistan Regional Government on October 28th, including approving former Iraqi Deputy Prime Minister Barham Salih as the new KRG Prime Minister. The Cabinet was reduced to nineteen ministers, aside from the Prime Minister and Deputy Prime Minister, and leaves one minister unannounced. In his acceptance speech, Salih focused on the need for reform and good governance in the region as well as improvement on the delivery of essential services.

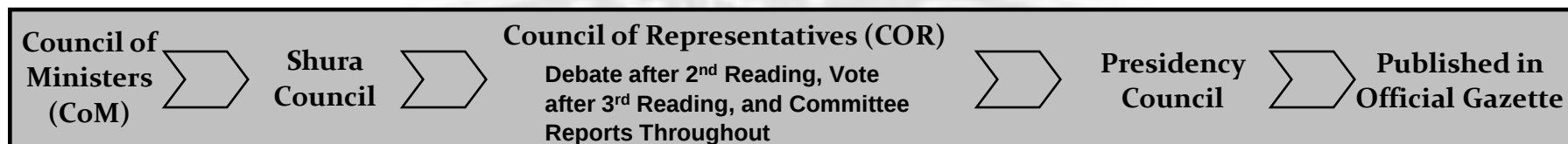
POLITICAL – Government of Iraq



POLITICAL – Key Legislative Issues



Legislative Process



- **Hydrocarbons Package:** The Framework Law was resubmitted to the Oil and Gas Committee on October 26, 2008 and then returned to the Council of Ministers. There has been no progress on the other three laws in the package.
- **NGO Law:** This law will regulate the operations and funding of Non-Governmental Organizations operating within Iraq. It received its first reading in the Council of Representatives on April 20, 2009.
- **National Elections Law:** A draft of a proposed national elections law is in committee but has not been finalized.

POLITICAL - Refugee Update



- **There are 295,304 Iraqi refugees currently registered with UNHCR in neighboring countries. There are likely significant numbers of unregistered refugees as well. UNHCR reports that 1.5 million Iraqis displaced by sectarian violence following the Samarra Mosque bombing of February 2006 remain internally displaced in Iraq.**
- **In FY09, the State Department's Bureau of Population, Refugees and Migration contributed \$ 303.4 million to international organizations and nongovernmental organizations to assist displaced Iraqis inside the country and in the region.**
- **The U.S. admitted 18,838 Iraqi refugees in FY09.**
- **Since the program's inception in FY07, 34,510 Iraqi refugees have been admitted for U.S. resettlement.**
- **As of June 2009, a total of 770 Special Immigrant Visa (SIVs) have been issued for Iraqi translators and interpreters since FY08 (under the Section 1059 program).**
- **As of June 2009, a total of 2,081 SIVs have been issued for Iraqis employed by or on behalf of the U.S. government since FY08 (under the Section 1244 program).**
- **Secretary of State Hillary Clinton announced July 24 that the United States was contributing more than \$100 million in new assistance to support the return and reintegration of displaced Iraqis.**

ECONOMIC – Private Sector



U.S. and Iraqi investors and government officials come together to promote business and investment opportunities in Iraq

U.S.-Iraq Business and Investment Conference Held in Washington D.C.:

- Iraqi Prime Minister Nuri al-Maliki and numerous high-level Iraqi officials attended the U.S.-Iraq Business and Investment Conference October 20 and 21 in Washington D.C. along with Iraqi and American business executives. The conference, which touted that Iraq was “open for business,” was held to promote investment in Iraq and connect U.S. and Iraqi businesses. U.S. Secretary of State Hillary Clinton opened the conference with Prime Minister Maliki and encouraged U.S investors to seize the opportunities Iraq had to offer.

ECONOMIC – Oil



Oil prices are rising, but exports and production remain below 2009 targets

Crude Oil Update:

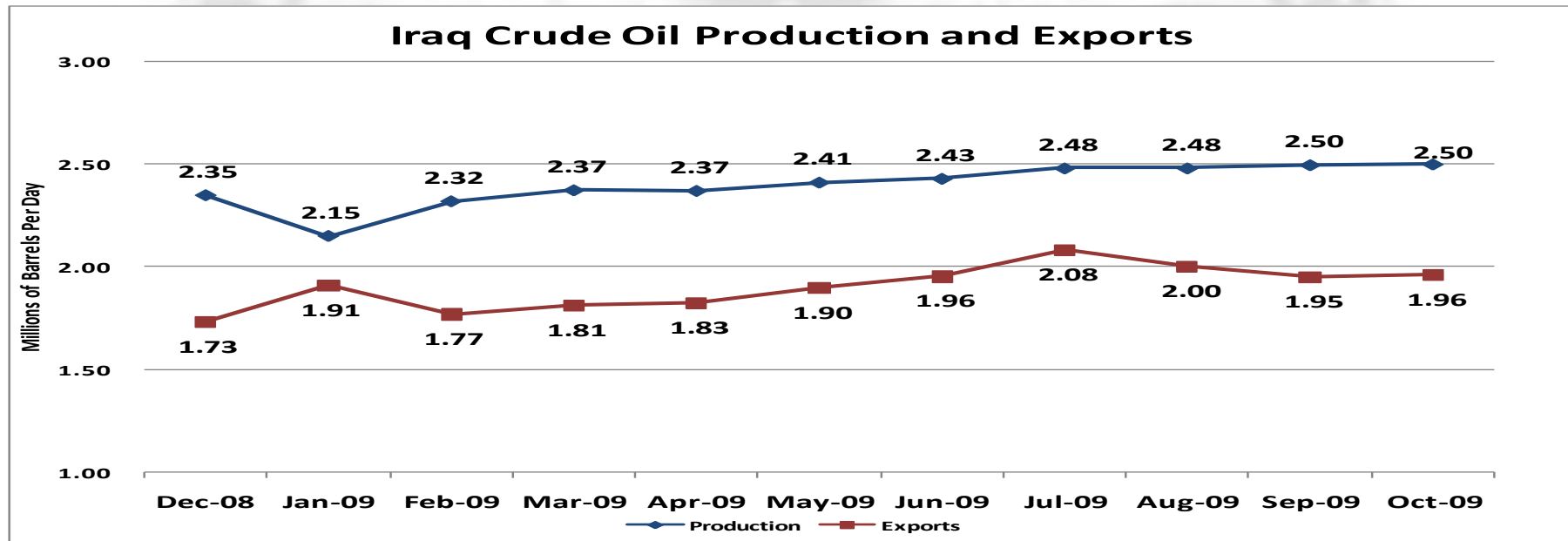
Price averages in world markets closed with the following prices:

Basrah Light at \$76.50/barrel

Dated Brent at \$77.27/barrel

WTI Cushing at \$80.13/barrel

Oman/Dubai at \$77.13/barrel



Revenue estimates:

2007: \$41.0 Billion

2008: \$61.9 Billion

2009 (ytd): \$28.5 Billion

*New revenue formula is used for 2009 that is more accurate, if lower.

ECONOMIC – Oil



Talks over oil fields continue as Iraq's second oil and gas bid round approaches

Shaikan Oil Field Findings “Significant”:

- Hungary's largest refiner, Mol Nyrt, announced that the preliminary test results from the Shaikan oil field, as reported by its partner Gulf Keystone, seem significant. Gulf Keystone said that its findings were a “value transforming discovery.”

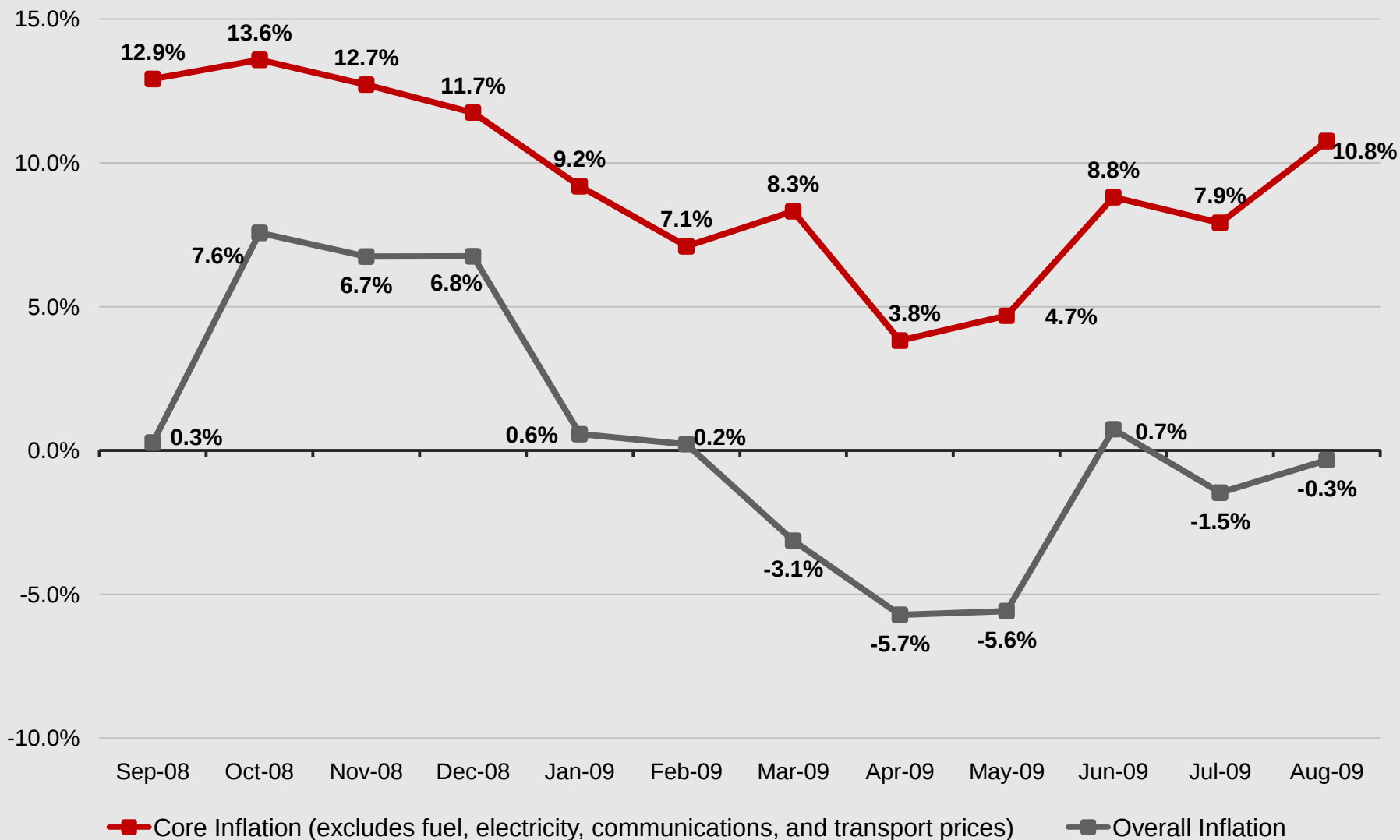
Eni May Sign Contract for Zubair Field:

- The CEO of the Italian firm Eni SpA Paolo Scaroni said his firm may sign a contract to develop the Zubair field shortly and added that the possibility of it bidding on the Nassiriyah field was “very low.” Eni was not considered the leading bidder for the field.

ECONOMIC - Fiscal and Monetary Affairs



Year-on-Year Inflation



ECONOMIC – Fiscal and Monetary Affairs



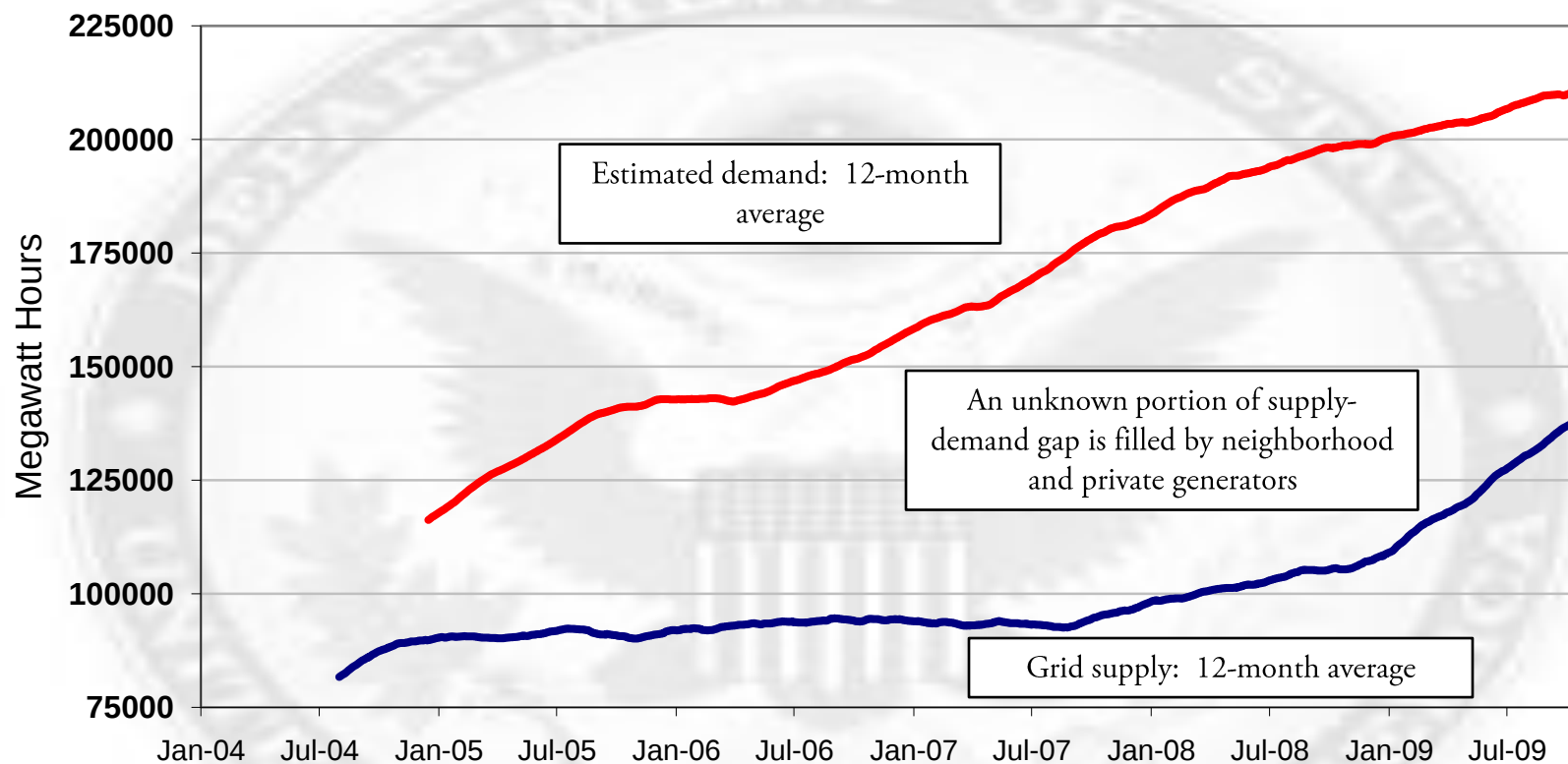
Negotiations continue between Iraq and the IMF over \$5.5 billion loan

Economic Indicator	This Week	Last Week	Last Month	Last Year
Iraqi Commercial Bond Sales				
Price (USD)	\$77.31	\$77.02	\$75.51	\$66.08
Yield	8.22%	8.26%	8.87%	10.96%

Public Services – Electricity



Daily Electricity Supply from the Grid and Estimated Daily Demand



- October 18-24 electricity supply from the grid was 35% above the year-earlier period and met 73% of estimated demand, compared with 57% for the earlier period .

ECONOMIC – Health



Fears of swine flu prompt school closures

Schools Closed in Iraq as Fear of H1N1 Outbreak Mounts:

- **Nearly 2,500 schools throughout Iraq were closed due to a fear of the H1N1 flu virus, in what some health officials have called an overreaction. Many parents are keeping their children home from school or sending them out wearing surgical masks, and some have complained that the Health Ministry has not provided them with enough information about the disease. According to the Ministry of Health, Iraq has had 121 confirmed cases of swine flu and three deaths.**

Beyond Baghdad



Ninewa AG advisor works with
Kurdish farmer

Ninewa

Basrah

Maysan

“...we will help Iraq's institutions strengthen their capacity to protect the rule of law, confront corruption, and deliver basic services.”

President Barack Obama

Recent Highlights

Ninewa's agricultural industry has received a much-needed boost through the Greenhouse Demonstration program, which provides greenhouses, or hoop houses as they are known in Iraq, to local farmers. The PRT agricultural advisor has worked closely with Iraq's Ministry of Agriculture and the Ninewa General Directorate to build the hoop houses through a lottery system. In exchange for the hoop houses and associated training, farmers will repay a portion of their profits to agricultural associations to fund additional houses.

Basrah PRT held a grand opening for a potable-water distribution site. The site is now operational for authorized tankers to fill up and distribute drinking water throughout the province. Potable-water output to the site is close to 10 million liters per day. Basrah has faced an acute water shortage for months as a result of the drought in Iraq and decreased water flow from the upstream sources of the Tigris and the Euphrates. The PRT is exploring the possibility of increasing water distribution to the Umm Qasr port over the next year.

Maysan PRT assisted in the effort to bring specialized medical training to Maysani doctors, nurses, and health care administrators. The “Train the Trainer” exercise was held at the request of the Maysan Department of Health and the al Sadr Surgical Hospital. Providers attended trauma and critical care sessions taught by American medical staff. The training is in high demand with Iraqi health care providers requesting more instruction.



CONTACT INFORMATION

This brief draws from multiple sources. References are cited on the following pages.

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- Department of Defense, Section 9010 Measuring Stability and Security in Iraq
http://www.defenselink.mil/home/features/Iraq_Reports/index.html

Please forward all questions and/or comments to:

NEA-I-IPOG-DL@state.gov



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